

## Message Text

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PAGE 01 STATE 068005  
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FOLLOWING TEL SENT ACTION SECSTATE INFO MOSCOW, EC BRUSSELS  
FROM LONDON MARCH 22:

QUOTE LIMITED OFFICIAL USE LONDON 04746

E.O.11652: N/A

TAGS: ETRD, EEWT, PFOR, SHUM, UK

SUBJECT: UK TRADE AND CREDIT POLICIES TOWARD THE USSR

REF: (A) LONDON 4577; (B) 76 LONDON 20868

1. THE UK GOVERNMENT CONTINUES TO BE QUESTIONED IN THE  
HOUSE OF COMMONS ABOUT ITS TRADE AND CREDIT POLICIES  
TOWARDS THE USSR. THIS RECENT FLURRY OF ACTIVITY AND  
ATTENDANT PUBLICITY HAS THREE DISPARATE ELEMENTS TO IT.

2. THE HUMAN RIGHTS ISSUE HAS EMERGED DURING THE LAST FEW  
DAYS IN THE CONTEXT OF TRADE CREDITS EXTENDED TO THE USSR.  
YESTERDAY (MARCH 21) AN MP INVOKED THE NAME OF SOVIET  
EXILE ANDREI AMALRIK AND ASKED TRADE MINISTER DELL HOW THE  
UK COULD JUSTIFY EXTENDING CREDIT AND TRANSFERING RE-  
SOURCES TO THE SOVIET UNION WHICH HELP "SOVIET LEADERS  
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TO MAINTAIN THEIR POLICE STATE." DELL SIDESTEPPED THE  
ISSUE BY SAYING IT WAS NECESSARY TO EXTEND CREDITS TO  
MEET THE COMPETITION FROM OTHER WESTERN TRADING COUNTRIES  
AND SAID "IT IS OUR WISH TO BUILD UP TRADE WITH THE SOVIET  
UNION AND THAT SEEMS TO US THE RIGHT OBJECTIVE."

3. SECONDLY, IT WAS NECESSARY AGAIN YESTERDAY TO DEFEND,

AS THE PRIME MINISTER DID LAST WEEK, THE ECONOMIC BENEFITS OF THE 950 MILLION POUND CREDIT EXTENDED TO THE USSR. AN MP ATTACKED THE GOVERNMENT'S POLICY CLAIMING THAT "50 PERCENT OF THE TOTAL PRODUCTION COST OF ANYTHING THE SOVIET UNION CHOOSES TO PURCHASE UNDER THIS AGREEMENT WILL BE FOOTED BY THE BRITISH TAXPAYER." DELL DENIED THE CHARGE, SAYING THAT BRITAIN REAPS CONSIDERABLE EMPLOYMENT AND TRADE BENEFITS FROM THE AGREEMENT. DELL AGAIN EXPRESSED THE GOVERNMENT'S "DISAPPOINTMENT" AT THE RELATIVELY LOW TOTAL VALUE OF CONTRACTS RECEIVED THUS FAR UNDER THE CREDIT ARRANGEMENT, BUT HE WENT TO SOME LENGTHS TO MAKE CLEAR HIS EXPECTATION THAT THERE WOULD BE "CONSIDERABLE IMPROVEMENT OVER THE NEXT FEW MONTHS."

4. THE THIRD ISSUE CONCERNS RECENT CHARGES BY SOME MPS THAT THE UK MAY BE GIVING AWAY ADVANCED TECHNOLOGY TO THE USSR IN THE PROPOSED LUCAS AEROSPACE DEAL. THIS SUBJECT IS REPORTED IN LONDON CABLES 2816 AND 4004. SPIERS UNQUOTE CHRISTOPHER

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Original Handling Restrictions:** n/a  
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**Reference:** 77 LONDON 4577, 76 LONDON 20868  
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**TAGS:** ETRD, EEWT, PFOR, SHUM, UK, UR  
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**Type:** TE  
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**Review Markings:**  
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